

Supermarket Shopping: What is This Thing Called “Customer Service”?

Richard J. George, Ph.D.  
Professor  
Department of Food Marketing  
Haub School of Business  
Saint Joseph’s University  
610 660 1608  
[rgeorge@sju.edu](mailto:rgeorge@sju.edu)  
[www.rjgeorge.com](http://www.rjgeorge.com)

## **Supermarket Shopping: What is This Thing Called Service?**

### **Background**

In the annual FMI *Trends* report, consumers are asked, “Overall, what improvements would you like to see in your primary grocery store?” Since the beginning of the 21<sup>st</sup> Century, the *Trends* report has consistently reported that the most desired improvement sought by consumers is better customer service. However, the issue of what specifically constitutes better customer service has not been the focus of any known reported studies. Typically, when the FMI *Trends* study asked what are the most important factors in selecting a primary supermarket the answers are consistent over time: cleanliness, high quality fruits, vegetables, and meat, and low prices.

Similarly, other industry studies consistently lists cleanliness, low prices, good produce department, freshness date marked on products, and a good meat department in the top ten most important attributes in selecting a supermarket. These studies confirm the FMI research in terms of the importance of the non-customer service variables, namely, cleanliness, quality and price.

In essence, the three most mentioned factors (cleanliness, quality and price) are the “ante” to attract customers. Every supermarket, at a minimum, must offer these attributes. They are necessary, but not sufficient, to positively differentiate one supermarket versus another. In addition, their relative weighting obscures the potential impact of customer service variables in supermarket selection and subsequent satisfaction. Further, traditional views on customer service have tended to focus on the customer-employee interaction as the key differentiating factor. This research looks as systematic as well as the human interaction variables that contribute to customer service satisfaction.

In addition, according to the American Society for Quality Control (ASQC)/University of Michigan annual survey, the American Customer Satisfaction Index (ACSI) for supermarkets continues to vacillate in the low to mid 70's range. In 1994 (first year measured) the ACSI score for supermarkets was 76. In the 4<sup>th</sup> Quarter of 2004 the score was 73. It is apparent that supermarket scores have not shown any improvement in the decade since the survey was launched. By any standard supermarkets are earning a barely passing grade.

However, neither the FMI, nor other industry studies, nor the ASQC/Michigan studies measure what attributes are specifically associated with good or delightful customer service. How can grocery stores and supermarkets expect to improve levels of customer service and customer satisfaction if we do not know the drivers of satisfaction (delight) for customer service?

The growth of food shopping alternatives in the form of super centers, club stores, chain drug stores, dollar stores, Internet, etc. have obviated the supermarkets' cleanliness,

quality, and price points of differentiation. Supermarkets' share of stomach continues to decline. If supermarkets are to survive in the changing food retail landscape it is necessary to develop the most solid and detailed understanding of their shoppers when it comes to the most sought after improvement, namely, customer service.

## **Measuring Customer Service**

The results reported here came from a telephone survey of a sample of 2000 random national data base of household telephone numbers. To qualify for the study, respondents had to be 18 years of age and shopped in a supermarket in the past three months. Respondents were asked to provide the importance of selected customer service attributes in selecting a supermarket. In addition, they were asked to provide their beliefs on these same customer service attributes as they relate to the supermarket they most frequently shopped. Finally, age, education, family income, and gender demographics were captured by the survey. Listed below are the 21 surveyed customer service attributes:

1. Uncluttered aisles
2. Shopper friendly store layout
3. Easy access to parking lot
4. Complaints quickly and fairly responded to
5. Accurate shelf tags
6. Prices visible when items scanned at check out
7. Store accepts returns without hassle
8. Employees responsive to questions and problems
9. Accurate check out
10. Check out has dedicated baggers
11. All check out lanes open
12. Speedy check out
13. Advertised specials in stock
14. No products on shelf after "sell by" date
15. Every item in stock/Shelves well stocked
16. Sales prices honored without the need to clip coupons
17. Sales prices honored without the need for shopper/loyalty card
18. Employees express thanks at the end of transaction
19. Employees not engaged in conversation with each other
20. Employees show appreciation for customer's business
21. Employees ask if there is anything they can do for you

## **Results**

### Aggregate Results

The top ten most important attributes are as follows:

1. **Accurate check out**
2. **Speedy check out**

3. **Uncluttered aisles**
4. Easy access to parking lot
5. Prices visible when scanned at check out
6. Accurate shelf tags
7. **Complaints quickly and fairly responded to**
8. Shopper friendly store layout
9. **Sale prices honored without the need to clip coupons**
10. No products on shelf after "sell by" date

The **bolded** attributes (1-3, 7 & 9) indicate that there is a statistically significant difference between what is important to them in selecting a supermarket and their beliefs about the supermarket in which they shop most frequently.

### Gender Results

For females, the top ten most important attributes are as follows:

1. **Accurate check out**
2. **Speedy check out**
3. **Accurate shelf tags (F)**
4. Complaints quickly and fairly responded to (F)
5. Uncluttered aisles
6. Prices visible when scanned at check out
7. **Sale prices honored without the need to clip coupons (F)**
8. Easy access to parking lot
9. No products on shelf after "sell by" date
10. Store accepts returns without hassle (F)

For males, the top ten most important attributes are as follows:

1. **Accurate check out**
2. **Shopper friendly store layout (M)**
3. **Speedy check out**
4. Uncluttered aisles
5. Easy access to parking lot
6. Prices visible when scanned at check out
7. Employees show appreciation for customer's business (M)
8. Advertised specials in stock (M)
9. Every item in stock/Shelves well stocked (M)
10. No products on shelf after "sell by" date

Again, the **bolded** attributes indicate that there is a statistically significant difference between what is important to them in selecting a supermarket and their beliefs about the supermarket in which they shop most frequently. An attribute followed by an F or an M indicates that this attribute was only in the top ten for the respective gender.

## Age Results

For ages 18 -34, the top ten most important attributes are as follows:

1. Accurate check out
2. Speedy check out
3. **Easy access to parking lot**
4. No products on shelf after “sell by” date
5. Uncluttered aisles
6. Sale prices honored without the need to clip coupons
7. Shopper friendly store layout
8. Accurate shelf tags
9. Employees responsive to questions and problems
10. **Prices visible when scanned at check out**

For ages 35 -54, the top ten most important attributes are as follows:

1. **Accurate check out**
2. **Uncluttered aisles**
3. **Speedy check out**
4. Prices visible when scanned at checkout
5. Complaints quickly and fairly responded to
6. **Every item in stock/Shelves well stocked**
7. **Accurate shelf tags**
8. Shopper friendly store layout
9. **Sale prices honored without the need to clip coupons**
10. No products on shelf after “sell by” date

For ages 55+, the top ten most important attributes are as follows:

1. **Sale prices honored without the need for a shopper/loyalty card**
2. **Accurate checkout**
3. Complaint quickly and fairly responded to
4. Prices visible when scanned at check out
5. Store accepts returns without hassle
6. Accurate shelf tags
7. Easy access to parking lot
8. Uncluttered aisles
9. Employees responsive to questions and problems
10. Speedy check out

A reminder that the **bolded** attributes indicate that there is a statistically significant difference between what is important to them in selecting a supermarket and their beliefs about the supermarket in which they shop most frequently.

## Strategic Options

Typically, when managers discuss “supermarket customer service” the discussion usually centers on so called “employee” factors, namely, employee expresses thanks, employee shows appreciation, etc. However, customers give more importance to “systematic” factors which indicate the responsiveness and dependability associated with supermarket customer service. Listed below are five strategic options that a supermarket could adopt to enhance the customer service experience. Keep in mind that you have to say or do something such that the customer perceives a change in the customer service environment. When reviewing each of these options ask yourself, “What would we have to do to convince our target market that something is different?” For example, what would you have to do change the customer perception that your aisles are cluttered? Perhaps it would be removing mid-aisle displays or making sure that the aisle is fully faced or changing the aisle signage or shelf tags. The key is to approach each strategic option from the customer’s perspective.

1. Close the gap on the following key attributes:

- Accurate check out
- Speedy check out
- Uncluttered aisles
- Complaints quickly and fairly responded to
- Sale prices honored without the need to clip coupons

A very real opportunity presents itself to supermarket managers who want to improve the “customer service” experience. Efforts to close the gap between what customers deem important and their perceptions of their supermarket performance on the above-noted five attributes, should pay handsome dividends for any related investments. Simply speaking, if supermarkets made check-out more accurate and quicker, if aisles became uncluttered or at least less cluttered, if complaints were quickly and fairly responded to, and if sale prices could be honored without the need to clip coupons, the overall attitude of customers toward supermarket customer service could be greatly enhanced.

2. Focus on the key differentiating attributes between men and women. For *Women* these include the following:

- Accurate shelf tags
- Complaints quickly and fairly responded to
- Store accepts returns without hassle
- Sale prices honored without the need to clip coupons

For women, who in today’s world are time-starved, make the shopping experience easier for her. Don’t allow the supermarket shopping occasion to be seen as more work. Insure that the shelf tags are accurate, so that she doesn’t feel that she always has to check. When she complains, treat her with respect and provide a timely and fair response. Don’t

make her have to “grovel” to return an item that didn’t meet her expectations. Stop the need for her to clip coupons in order to receive a discount.

3. Focus on the key differentiating attributes between men and women. For *Men* these include the following:

- Shopper friendly store layout
- Employees show appreciation for customer’s business
- Advertised specials in stock
- Every item in stock/Shelves well stocked

Yes, men and women are different and the difference is manifest in their perceptions of the supermarket shopping experience. Men are more comfortable in a Home Depot or a Bass Pro Shop than they are negotiating the aisles of their preferred supermarket. Men need help. Make sure that they can easily navigate the store and know where the items that they have been sent to secure are located. Since they do not necessarily choose supermarket shopping as their preferred shopping option, show and tell them that you appreciate their business. Finally, often many of their visits represent their “hunter/gatherer” role in which they have been directed to secure certain items, make sure you are in stock, particularly for advertised specials.

4. Focus on key differentiating attributes by age:

- 18-34 Easy access to parking lot
- 35-54 Complaints quickly and fairly responded to
- 55+ Sale prices honored without the need for shopper/loyalty card
- 55+ Store accepts returns without hassle

Younger shoppers are in a hurry. Make it easier to get in and out of your parking lot. Middle bracket shoppers want you to handle their complaints quickly and with dignity. Older shoppers don’t want to show you a card for you to know that they are loyal and subject to the best treatment and prices. Similarly, when they return something it is usually for good reason. Don’t denigrate them in the process.

5. Add a new attribute:

- Menu/meal/party planner
- Internet deli orders
- Personal shopper
- Customized shopping list
- Premiere check out line
- Priority deli and bakery ordering
- Hand wipes in produce section
- Assembled meal components in one place
- Sanitized shopping carts/baskets

- Assistance with groceries to car
- Provide special parking for mothers with small children

Supermarket customer service is all about adding value to the customer. Value is simply “benefits received” divided by “burdens endured.” The above examples are designed to increase the value equation for your target market. These new attributes address the ongoing concern of customers that their supermarkets be dependable and responsive to their needs. The above are merely suggestions. If you can add an attribute that your customers perceive as important/valuable and your competitors do not offer the same value then the customer service and profitability benefits are immediate.

## **Conclusions**

Supermarkets need to adopt an “outside in,” customer service focused approach to determine what are the salient customer service importance and beliefs attributes for their customers. Next steps include taking action to close the gaps by increasing belief ratings on the important attributes, addressing the gender and age differences of shoppers, and by introducing new customer service attributes, e.g., a weekly menu planner, dedicated check-out lines for high volume shoppers or priority deli and bakery service for high volume shoppers.

Cosmetic changes are not enough. Nor will a “one size fits all” approach work. Supermarkets need to understand and then develop their unique approach to supermarket customer service. Nothing short of such a commitment will insure the long-term survival of this threatened channel.

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